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labor organization holds such an interest.

[28 FR 14394, Dec. 27, 1963, as amended at 63 FR 33780, June 19, 1998]

MISCELLANEOUS PROVISIONS

§ 453.22 Prohibition of certain activities by unbonded persons.

(a) Section 502(a) provides that persons who are not covered by bonds as required by that section shall not be permitted to receive, handle, disburse, or otherwise exercise custody or control of the funds or other property of a labor organization or of a trust in which a labor organization is interested. This prohibits personnel who are required to be bonded, as explained in § 453.8 from performing any of these acts without being covered by the required bonds. In addition, this provision makes it unlawful for any person with power to do so to delegate or assign the duties of receiving, handling, disbursing, or otherwise exercising custody or control of such funds or property to any person who is not bonded in accordance with the provisions of section 502(a).

(b) The legislative history of the Act indicates, however, that it was not the intent of Congress to make compliance with the bonding requirements of section 502(a) a condition on the right of banks or other financial institutions to serve as the depository of the funds of labor organizations or trusts. Similarly, it appears that the provisions of that section do not require the bonding of brokers or other independent contractors who have contracted with labor organizations or trusts for the performance of functions which are normally not carried out by such labor organizations' or trusts' own officials or employees, such as the buying of securities, the performance of other investment functions, or the transportation of funds by armored truck.¹²

§ 453.23 Persons becoming subject to bonding requirements during fiscal year.

Considering the purpose of section 502, the language of the prohibition should be considered to apply to per-

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sons who because of election, employment or change in duties begin to handle funds or other property during the course of a particular fiscal year. Bonds should be secured for such persons, in an amount based on the funds handled by their predecessors during the preceding fiscal year, before they are permitted to engage in any of the fund-handling activities referred to in the prohibition, unless coverage with respect to such persons is already provided by bonds in force meeting the requirements of section 502(a).

§ 453.24 Payment of bonding costs.

The Act does not prohibit payment of the cost of the bonds, required by section 502(a), by labor organizations or by trusts in which a labor organization is interested. The decision whether such costs are to be borne by the labor organization or trust or by the bonded person is left to the duly authorized discretion and agreement of the parties concerned in each case.

§ 453.25 Effective date of the bonding requirement.

While the bonding provision in section 502(a) became effective on September 14, 1959, its requirement for obtaining bonds does not become applicable to a labor organization or a trust in which a labor organization is interested, or to the personnel of any such organization, until the subsequent date when such organization's next fiscal year begins. This is so because the Act requires each such bond to be fixed at the beginning of the organization's fiscal year in an amount based on funds handled in the preceding fiscal year, and it could not well have been intended that the obtaining of a bond would be necessary in advance of the time when it would be possible to meet this requirement.

§ 453.26 Powers of the Secretary of Labor to exempt.

Section 502(a) of the Act provides that when in the opinion of the Secretary of Labor a labor organization has made other bonding arrangements which would provide the protection required at comparable cost or less, he may exempt such labor organization from placing a bond through a surety

¹² See § 453.6(b).

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company holding a grant of authority from the Secretary of the Treasury under the Act of July 30, 1947 (6 U.S.C.

6-13), as acceptable surety on Federal bonds.

[30 FR 14926, Dec. 2, 1965]

SUBCHAPTER B—STANDARDS OF CONDUCT

PART 457—GENERAL

Subpart A—Purpose and Scope

Sec.

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457.12 Authority; Board.

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457.14 Standards of conduct for labor organizations.

457.15 District Director.

457.16 Chief, DOE.

457.17 Administrative Law Judge.

457.18 Chief Administrative Law Judge.

457.19 Party.

457.20 Intervenor.

AUTHORITY: 5 U.S.C. 7120, 7134; 22 U.S.C. 4117; 2 U.S.C. 1351(a)(1); Secretary's Order No. 5-96, 62 FR 107, January 2, 1997.

SOURCE: 50 FR 31311, Aug. 1, 1985, unless otherwise noted.

Subpart A—Purpose and Scope

§ 457.1 Purpose and scope.

The regulations contained in this subchapter are designed to implement 5 U.S.C. 7120 and 22 U.S.C. 4117, which relate to the standards of conduct for labor organizations in the Federal sector set forth in title VII of the Civil Service Reform Act of 1978 and chapter 10 of the Foreign Service Act of 1980. They prescribe procedures and basic principles which the Assistant Secretary of Labor will utilize in effectuating the standards of conduct required of labor organizations composed of Federal government employees that are covered by these Acts. (Regulations implementing the other provisions of title VII of the Civil Service Reform Act are issued by the Federal Labor Relations Authority, the General

Counsel of the Federal Labor Relations Authority, and the Federal Service Impasses Panel in title 5 of the Code of Federal Regulations. Regulations implementing the other provisions of chapter 10 of the Foreign Service Act are issued by the Foreign Service Labor Relations Board, the Federal Labor Relations Authority, the General Counsel of the Federal Labor Relations Authority, and the Foreign Service Impasse Disputes Panel in title 22 of the Code of Federal Regulations.)¹

[50 FR 31311, Aug. 1, 1985, as amended at 62 FR 6093, Feb. 10, 1997]

Subpart B—Meaning of Terms as Used in This Chapter

§ 457.10 CSRA; FSA; CAA; LMRDA.

CSRA means the Civil Service Reform Act of 1978; FSA means the Foreign Service Act of 1980; CAA means the Congressional Accountability Act of 1995; LMRDA means the Labor-Management Reporting and Disclosure Act of 1959, as amended.

[62 FR 6093, Feb. 10, 1997]

§ 457.11 Agency, employee, labor organization, dues, Department, activity, employing office.

Agency, employee, labor organization, and dues, when used in connection with the CSRA, have the meanings set forth

¹Pursuant to section 220(a)(1) of the Congressional Accountability Act of 1995, 2 U.S.C. 1351(a)(1), labor organizations covered by that statute are subject to the standards of conduct provisions of the Civil Service Reform Act, 5 U.S.C. 7120, and are therefore subject to the regulations in this subchapter. Regulations implementing the Congressional Accountability Act were issued at 142 Cong. R. S12062 (daily ed., October 1, 1996) and 142 Cong. R. H10369 (Daily ed., September 12, 1996).